

Section IIIB: Applying for Federal Financial Aid

Objectives

- Understand how to apply for federal student aid
- Understand application output and how to make corrections
- How to address special circumstances

Materials

- PowerPoint Presentation
- Free Application for Federal Student Aid (FAFSA) on the Web Worksheet (Draft)
- Case Studies
- Solutions for Case Studies

Trainer Tips

- The instructor's guide is just that, a guide. If you feel more comfortable teaching from the PowerPoint slides or the FOTW Worksheet, for example, feel free to do so. Please indicate to participants that the FOTW Worksheet is a draft version of the form for trainings held prior to November 15th.
- Having participants complete a FOTW Worksheet using a case study is an excellent teaching tool.
- Try to break participants into small groups with members that contain varied levels of experience. This will help foster mentoring relationships.
- As you prepare for the session, anticipate which sections of the FOTW Worksheet Draft will generate the most questions, such as the student status section and the reporting of assets.
- Encourage discussion by asking the participants questions. Get an idea of their students' experience in applying for financial aid; such feedback will be valuable for future training efforts.

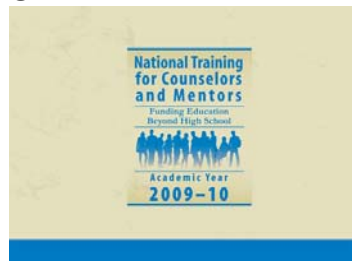
2009-10 FAFSA Changes

- Questions from Worksheets B and C have been incorporated into the parental information and student finance sections of the form as appropriate (Worksheet A has been eliminated entirely). Welfare benefits, earned income credit, additional child tax credit, untaxed Social Security benefits, special fuel tax credits, and excluded foreign income are now excluded from the definition of untaxed income and are no longer reported on the FAFSA. In addition, "special combat pay" is no longer considered part of the recipient's income.

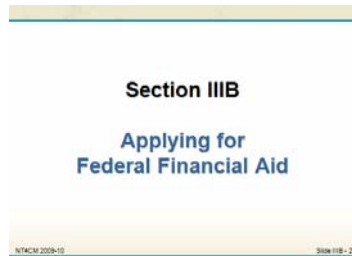
- Question added regarding the status of an independent student or either parent of a dependent student being considered a dislocated worker. A person must meet one of the following conditions to be considered a dislocated worker:
 - Are receiving unemployment benefits due to being laid off or losing a job and are unlikely to return to a previous occupation.
 - Have been laid off or received a lay-off notice
 - Are self-employed but are unemployed due to economic conditions or natural disaster
 - Are a displaced homemaker-a person who previously provided unpaid services to the family, is no longer supported by a spouse, is unemployed or underemployed and is having trouble finding or upgrading employment
- Questions added and/or reworded regarding dependency status –
 - When you were age 13 or older, were both your parents deceased, were you in foster care or were you a dependent/ward of the court?
 - As of today, has it been decided by a court in your state of residence that you are an emancipated minor?
 - As of today, has it been decided by a court in your state of residence that you are in a legal guardianship?
 - At any time on or after July 1, 2008, did your high school or school district homeless liaison determine that you were an unaccompanied youth who was homeless?
 - At any time on or after July 1, 2008, did the director of an emergency shelter program funded by the U.S. Department of Housing and Urban Development determine that you were an unaccompanied youth who was homeless?
 - At any time on or after July 1, 2008, did the director of a runaway or homeless youth basic center or transitional living program determine that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless.
- 529 Plans are to be reported as a parental asset regardless of whether the parent or the dependent students is the owner of the account

Section IIIB: Applying for Federal Financial Aid

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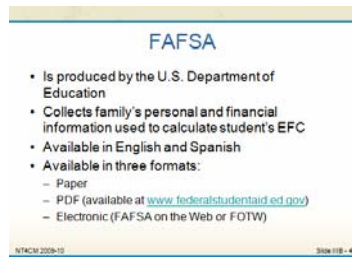
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SLIDE IIIB-3



SLIDE IIIB-4



IIIB. Applying for Federal Financial Aid

Today we are going to discuss:

- Preparing students and families to complete the Free Application for Federal Student Aid, or FAFSA
- The information students report on the FAFSA
- Common errors
- Processing FAFSA results
- Correcting FAFSA data

Note to Instructor: Before presenting the following material, engage participants in a discussion of how they prepare students and families to complete the FAFSA. Possible strategies may include: having families gather needed documents or completing the FAFSA in stages. The U.S. Department of Education publications listed below may be ordered on-line; ordering instructions are behind the Federal Resources tab.

FAFSA Completion Resources

Resources for completing the FAFSA:

- www.FAFSA.ed.gov
- ED's FAFSA Tips Brochure (also available in Spanish)
- ED's FAFSA on the Web Tips Card (also available in Spanish)
- College Goal Sunday

FAFSA

The FAFSA:

- Is produced by the U.S. Department of Education

- Collects personal and financial data to calculate the Expected Family Contribution, or EFC and to determine if the student meets certain eligibility criteria
- Is available in English and Spanish
- Is available in three formats:
 - Paper
 - PDF
 - Electronic (FAFSA on the Web or FOTW)

The paper FAFSA:

- Students may request a copy by calling the Federal Student Aid Information Center at 1-800-433-3433
- Cannot be submitted before January 1, 2009

The PDF FAFSA:

- Available at www.federalstudentaid.ed.gov
- Cannot be submitted before January 1, 2009

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FAFSA on the Web

START HERE
GO FURTHER
FEDERAL STUDENT AID

FAFSA
Free Application for Federal Student Aid

- Web site: www.fafsa.ed.gov
- 2009-10 FAFSA on the Web available on January 1, 2009
- FAFSA on the Web Worksheet:
 - Used as “pre-application” worksheet
 - Questions follow order of FAFSA on the Web

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FAFSA on the Web

- Easier, faster, and less error prone
- No software required
- Only requires a computer with an Internet connection.

FOTW Worksheet:

- “Pre-Application” worksheet
- May be available later than normal this year
- Print and complete before submitting FAFSA
- Preview questions as they appear on FAFSA

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FAFSA on the Web

- Built-in edits to help prevent costly errors
- Skip-logic allows student and/or parent to skip unnecessary questions
- More timely submission of original application and any necessary corrections
- More detailed instructions and "help" for common questions
- Ability to check application status on-line
- Simplified renewal application process

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- Allows applicants to collect information needed to complete FAFSA
- Allows applicants to prepare answers in advance
- High schools can order copies in bulk

FAFSA on the Web

Good reasons to use FAFSA on the Web:

- Built-in edits to help prevent potentially costly errors
- "Skip-logic" which allows students to skip questions which are unnecessary based on their answers to previous questions
- Immediate submission of original application data, as well as any corrections that might need to be made later
- More detailed instructions and "help" for common questions than space allows on the paper FAFSA
- The ability to check the processing status
- A simplified renewal application process for filing the FAFSA in subsequent years

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PIN Registration

- Web site: www.pin.ed.gov
- Can request PIN before January 1, 2009
- Not required, but speeds processing
- May be used by students and parents throughout aid process, including subsequent school years



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Federal Student Aid (FSA) PIN

- May be requested at any time
- Students and parents use PIN to sign FAFSA electronically
- Speeds FAFSA processing
- May be used throughout college education

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FAFSA on the Web Worksheet

2009-10 FAFSA on the Web Worksheet—
8-page booklet containing:

- Instructions
- 93 questions in 5 sections
- Worksheet A eliminated
- Remaining questions from Worksheets B and C incorporated into parental information and student finances sections

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FAFSA on the Web Worksheet

- 2009-10 FOTW Worksheet is an 8 page booklet containing:
 - Instructions
 - 93 questions organized into 5 sections
 - Questions on Worksheet A eliminated
 - Remaining questions from Worksheets B and C incorporated into parental information and student income sections of the form.
- Detailed help for many questions is available on-line

Note to Instructor: Depending on the size of the group, break participants into small groups to complete the FOTW Worksheet using the case studies provided. You may have each group complete the same case study, or have the groups complete different case studies to illustrate the different situations of students who file the FAFSA. Allow 15-20 minutes for the groups to complete the worksheet before continuing the discussion. The following discussion of the FOTW Worksheet focuses on questions and data that are most likely to raise questions.

FOTW Worksheet: Section One

Section One collects general information about the student.

- Social Security Number (SSN):
 - Student applicants must have valid SSN
 - Exactly match name and date of birth on SSN card
 - Parents often report their SSN as the student's SSN

Note to Instructor: When the CPS processes the FAFSA, it verifies that the student meets the citizenship/eligible noncitizen criterion, but it does not verify the citizenship status of the parents. Parents do not need to be U.S. citizens or eligible noncitizens for their students to be eligible for federal student aid. Participants are likely to ask this question.

- Citizenship status and, if an eligible noncitizen, Alien Registration Number
- Categories of eligible noncitizens include:
 - U.S. permanent residents
 - Citizens of the Freely Associated States: the Federated States of Micronesia and the Republic of the Marshall Islands
 - Refugees
 - Persons granted asylum
 - Conditional entrants
 - Cuban-Haitian entrants

Note to Instructor: *The eligibility of the citizens of the Republic of Palau to receive Federal Pell Grants expires on September 30, 2009, unless a new Compact is signed.*

- Whether or not he or she has been convicted of possessing or selling illegal drugs while enrolled and receiving Title IV aid
 - Student who answers “Yes” completes on-line worksheet to determine if answer affects eligibility for aid
 - Student who answers yes should submit a FAFSA

FOTW Worksheet: Section 2

- Collects information to determine student dependency status
- Answering no to all questions makes student dependent, parent information must be reported
- Answering yes to any question makes student independent
 - Some independent students may need to report parent information
- Definition of independent student expanded

Note to Instructor: Review the last six questions in Section 2 with the group. These are the revised and new items.

FOTW Worksheet: Section 3 (Parental Information)

- Collects parent information, including finances
- Worksheet A has been eliminated due to the change in the definition of untaxed income
- Remaining questions from Worksheets B and C have been incorporated into the parental information section
 - Use page eight of FOTW Worksheet to total responses for additional financial information and untaxed income
- If parents divorced and the parent completing the FAFSA has remarried, stepparent's information must be on the FAFSA
- Includes new question regarding either parent being a dislocated worker

Note to Instructor: Share with participants that recent legislation excludes welfare benefits, earned income credit, additional child tax credit, untaxed Social Security benefits, special fuel tax credits, and excluded foreign income from the definition of untaxed income that must be reported on the FAFSA. Also mention that special combat pay is no longer considered part of the recipient's income.

Parental asset data:

- Cash, savings, and checking
- Net worth of investments
 - Value of 529 plans owned by either the dependent student or the parent are reported as an asset of the parent
- Net worth of business and investment farms

Remember:

- Report asset value as of day FAFSA is submitted

- Asset information cannot normally be updated
- Family should contact the financial aid office if special circumstances exist

FOTW Worksheet: Section 4 (Student Finances)

All students must complete Section 4:

- Married students provide spouse's information
- Answer questions as of day FAFSA submitted

Changes to the definition of untaxed income and the treatment of combat pay just discussed for parental information section also apply to students

- Worksheet A eliminated
- Remaining questions from Worksheets B and C incorporated into student finances section
 - Use page eight of FOTW Worksheet to total responses for additional financial information and untaxed income

Student assets:

- Cash, savings, and checking
- Net worth of investments
- Net worth of business and investment farms

Remember:

- Report asset value as of day FAFSA is submitted
- Asset information cannot normally be updated
- Family should contact financial aid office if special circumstances exist

FOTW Worksheet: Section 6

- List up to 10 colleges to receive FAFSA information
- Provide Federal School Code and housing plans
- On-line search for school codes

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Frequent FAFSA Errors

- Parent and student Social Security Numbers
- Divorced/remarried parental information
- Income earned by parents/stepparents
- Untaxed income
- U.S. income taxes paid
- Household size
- Number of household members in college
- Real estate and investment net worth

Frequent FAFSA Errors

- Parent and student names and Social Security Numbers
- Divorced and remarried parental information
- Income earned by your parents or stepparents
- Untaxed income
- U.S. income tax paid
- Household size
- The number of household members enrolled in college
- The net worth of investments and real estate.

All FAFSAs filed with Central Processing System (CPS):

- Process information
- Calculates EFC
- Performs matches with federal databases

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FAFSA Processing Results

Central Processing System (CPS) notifies student of FAFSA processing results by:

- Paper Student Aid Report (SAR) if paper FAFSA was filed and student's e-mail address was not provided
- SAR Acknowledgement if filed electronically via FAFSA on the Web and student's e-mail address was not provided

FAFSA Processing Results

Notification of FAFSA processing results:

- Filed a paper FAFSA with no e-mail address, receive paper Student Aid Report (SAR)
- Filed a FOTW with no e-mail address, receive paper SAR Acknowledgement

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FAFSA Processing Results

- CPS notifies student of FAFSA processing results by:
 - E-mail notification containing a direct link to student's on-line SAR if student's e-mail was provided on paper or electronic FAFSA
- Student with PIN can view SAR on-line at www.fafsa.ed.gov

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Making Corrections

If necessary, corrections to FAFSA data may be made by:

- Using FAFSA on the Web (www.fafsa.ed.gov) if student has a PIN;
- Updating paper SAR (SAR Acknowledgement cannot be used to make corrections); or
- Submitting documentation to school's financial aid office

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FAFSA Processing Results (continued)

If student provided e-mail address:

- E-mail notification with link to on-line SAR

Making Corrections

Students should:

- Review SAR for accuracy
- Pay close attention to estimated income information

Students may submit corrections:

- **FAFSA on the Web:**
 - Must have a FSA PIN
 - Parents of dependent students must sign, using either a FSA PIN or signature page
- **Paper SAR:**
 - Submit corrections directly on paper SAR
 - Sign SAR (one parent must sign if student dependent)
 - Mail to address on SAR
 - Cannot submit corrections on SAR Acknowledgement
- **The School's Financial Aid Office:**
 - School may be able to submit corrections electronically
 - School will need signed documentation

When the CPS receives corrections:

- Recalculate EFC
- Notify student of processing results

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Special Circumstances

- Can't include on FAFSA
- Contact each college
- College will:
 - Request documentation
 - Review situation on case by case basis
 - Decisions final and cannot be appealed to U.S. Department of Education

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Special Circumstances

- Dependent students having difficulty obtaining parental information
 - May submit incomplete FOTW
 - FOTW provides examples of acceptable and unacceptable special circumstances
 - Students should contact financial aid office at their college
 - Students must document their special circumstance

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Students should:

- Review updated information for accuracy
- Keep copies of their FAFSA and any other forms

The CPS forwards FAFSA data to:

- Schools student listed on the FAFSA
- State agency

Special Circumstances

FAFSA does not allow students and families to indicate the presence of special circumstances. Families must notify each school to which the student is applying. Schools will:

- Request documentation
- Review each situation on a case-by-case basis
- College decisions are final and cannot be appealed to the U.S. Department of Education
- Dependent students having difficulty obtaining parental information
 - Dependent students having difficulty obtaining parental data will be able to submit an incomplete FOTW
 - FOTW will provide students with examples of acceptable and unacceptable special circumstances
 - Students should contact the financial aid office at their college about whether or not they qualify for a dependency override
 - Students must be able to document their special circumstance